

Pay Audit System Overview

Monitoring the State's Diversity Spend

Presented by:
Division of Supplier Diversity
Debby Walker, Deputy Director
Arthur Sample IV, Supplier Diversity Manager

MWBE Division Name Change

Division Of Supplier Diversity

Benefits:

- Aligns Indiana With The Supplier Diversity Industry
- Emphasizes The Economic Value Of A Diverse Supply Chain
- Facilitates A Better Understanding Of MBE/WBE Certification
- Broadens The Community Support Base
- Prepares Indiana For The Future
 - Prepares For A Changing Population
 - Prepares For Shifts In The Supply Chain
- Better Positions The Program For Success.

The name change for the division will not result in a change in the certification designations offered through the division. The division will continue to provide certification designations in two key categories: Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE).

Division of Supplier Diversity Mission

- The Division of Supplier Diversity Actively Promotes, Monitors, And Enforces The State's Programs That Provide An Equal Opportunity To Minority And Women-owned Businesses That Seek To Participate In The State's Procurement And Contracting Process.
- Annual Participation Goals For State Contracts Are Set By The Governor's Commission On Minority And Women's Business Enterprises:

Category	MBE Participation	WBE Participation
Construction	7%	5%
Professional Services	8%	8%
Supplies	4%	9%

Division of Supplier Diversity Organization

Felecia Roseburgh
Deputy Commissioner

Luther Taylor
Deputy Director
Certifications & Operation

Debby Walker
Deputy Director
Development & Compliance

Jocelyn Williams
Program Director
(Certifications)

Isabel Smith
Program Director
(Certifications)

Nancy Walker
Certification Coordinator

Vickie Scott
Certification Coordinator

Nate Lofton
Program Director
(Business Development)

Jessica Thayer
Communication Manager

Arthur Sample
Supplier Diversity Manager
(Compliance)

MWBE Subcontractor Commitment Compliance Auditing: Overview

What Is It?

Monitoring Prime Vendors' Contractually Committed Usage Levels Of Their MWBE Subcontractors Against The Actual Usage

Why Is It Important?

To Whom?

Provides The Necessary Data To:

State Government	<ul style="list-style-type: none">• Measure Agency Performance In Achieving Statewide Goals And Commitments• Respond To Internal And External Inquiries• Take Corrective Action Towards Prime Vendors Or Subcontractors
MWBE Commission	<ul style="list-style-type: none">• Analyze Utilization Against Participation Goals For Modifications To Goals Within The Three Contracting Categories
Legislature, Media	<ul style="list-style-type: none">• Examine Adherence To Contractual MWBE Commitments, Either Statewide Or For A Specific Prime Vendor
Prime Vendors, Subcontractors	<ul style="list-style-type: none">• Track Progress Towards Meeting A Specific Contract's MWBE Commitment And Take Corrective Actions As Needed

Compliance Auditing in Retrospect

An examination of the current process shows several areas of improvement to better meet the State's MWBE mission

Prior Reporting Process

Used EDS contract data, which at times was unreliable

Reports *committed*, but not actual \$/% *spent*

Auditing process is manual

Pay Audit Reporting

Reflects **current** PeopleSoft business processes and contract encumbrance

Captures **actual** MWBE subcontractor usage, which are often requested by internal and external parties

Automate auditing process which identifies areas to focus manual contracts audited

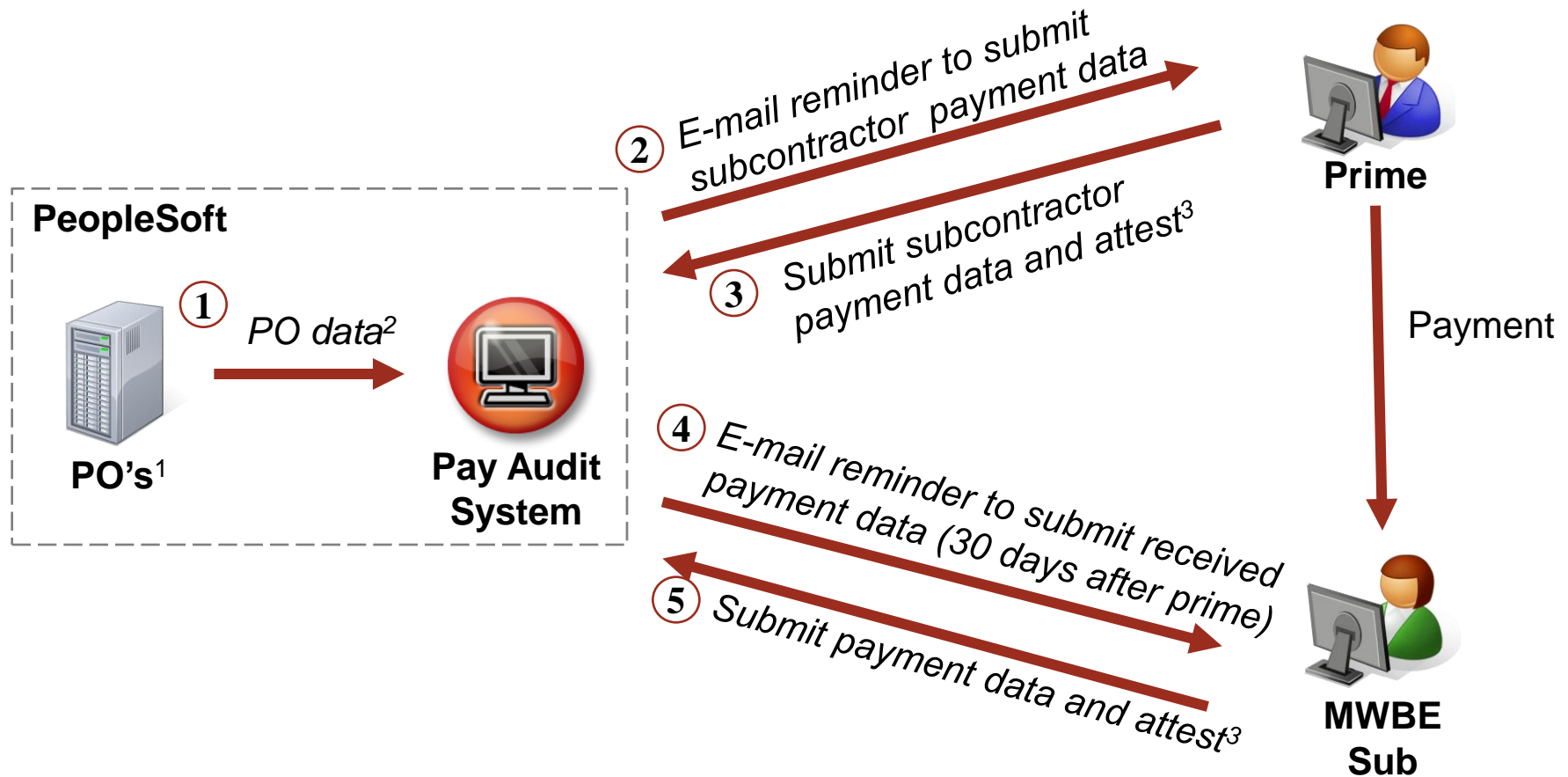


Compliance Auditing: Pay Audit System

Benefits For All Stakeholders

- **Improved Data Accuracy and Reliability.**
 - Use of most reliable data source for MWBE commitments from State's ERP system
 - All MWBE commitments in the PeopleSoft Purchase Orders are audited for compliance
- **Enhanced Reporting.**
 - Actual utilization can be reported
 - Flexibility in reporting compliance at granular level (e.g., by agency, by ethnicity, by contract)
- **Increased Efficiency.**
 - New data will allow our team to apply additional focus in our approach to the audit function

Compliance Auditing: Pay Audit System



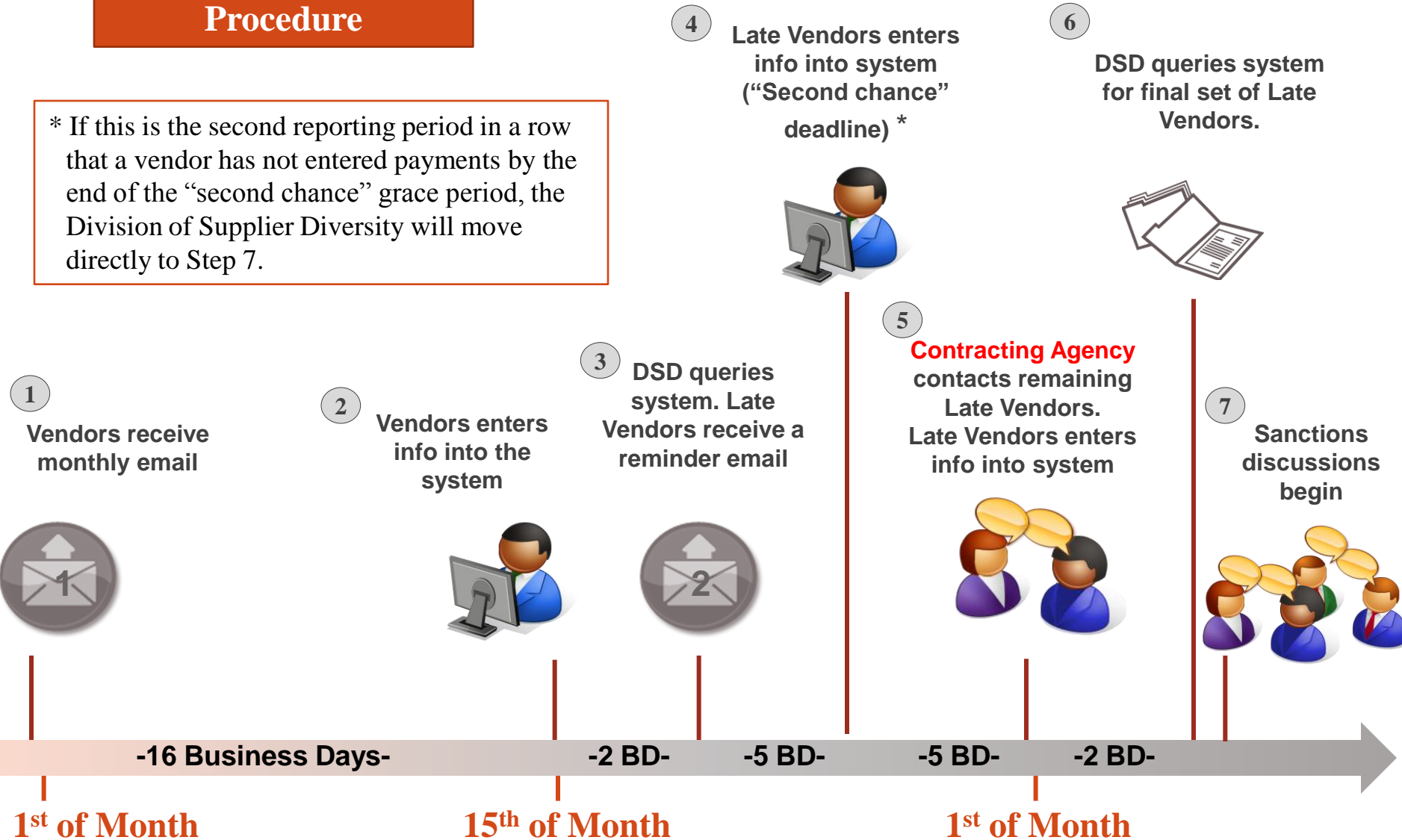
¹ Pay Audit regularly pulls newly created PO's with MWBE commitment

² An alternative process has been developed for State QPAs (with significantly high order volume) to avoid unrealistic reporting demands

³ Late responses from either party prompts a follow-up notification. Continued lack of response will initiate a sanction process

Pay Audit Escalation Procedure

* If this is the second reporting period in a row that a vendor has not entered payments by the end of the “second chance” grace period, the Division of Supplier Diversity will move directly to Step 7.



Pay Audit Key Information

- Implemented In December 2011
- Web Based Tool
- PeopleSoft Format
- System Captures And Compares Contractual MWBE Payments From Both Prime Contractors And Certified MWBE Subcontractors
- Provides Reports To Monitor And Enforce MWBE Spend Commitments On State Contracts

Pay Audit Web Page

The screenshot shows the IDOA website with the following elements:

- Header:** Search bar with 'IDOA' dropdown, 'Advanced Search' button, and a row of social media icons. Governor Mitch Daniels' name and a 'Visit his Home Page' link are on the right.
- Left Navigation Menu:**
 - IDOA Home
 - MWBE
 - About Us
 - Business Opportunities
 - Certified Business Search
 - Certify Your Business
 - Compliance
 - Disparity Study
 - Laws and Policies
 - MWBE Commission
 - News and Events
 - Participation Goals
 - Pay Audit** (highlighted with a red arrow)
 - Training Materials
 - Other Resources
 - Contact Us
 - Helpful Links
- Main Content Area:**
 - Indiana Department of Administration** header with the IDOA seal.
 - MWBE Opportunities** section with a 'learn more' button.
 - A message from the Deputy Commissioner** section with a photo of a woman and text: 'As Indiana's Supplier Diversity leader, it is my charge to assist MBE and WBE firms in gaining access to subcontracting opportunities with state government. My greater challenge is to assist in growing Indiana's economy by helping MBE and WBE firms become more profitable. The Minority and Women's Business Enterprises Division is...'
- Right Side Widgets:**
 - Online Services FIRST IN LINE EVERY TIME** with links: View State Property Map & Records, Search State Contracts, See Contracts Out for Bid, Register as a Bidder, Register as an Executive Branch Lobbyist, Forms.IN.gov.
 - More Online Services »** and **Subscriber Center »**
 - Top FAQs** and **I Want To...** section with two numbered questions about vendor registration and state certification requirements.

The Pay Audit System Has A Dedicated Page On The MWBE Website




Pay Audit Web Page

Access the Pay Audit System




1. Sign in to the State of Indiana's [Self-Service Portal](#) using your User ID and Password connected to your Bidder ID.
2. Vendors who have forgotten either User ID or Password can obtain this information by clicking on the link titled "Report an Issue". Fill out all necessary information on the ticket and in the "Describe your problem" box indicate you need either your User ID or Password information to Log-in to PeopleSoft.
3. If your company is not currently registered as a bidder please go to the [Bidder Registration](#) page for instructions on how to register your business. Problems or questions concerning the registration process may addressed to the Bidder Coordinator by e-mail: aredding@idoa.in.gov by phone: 317-234-3542.

Training Guides FAQs & Manuals

Pay Audit System Quick Reference Training Guides

- [Prime Vendor Payment Entry Quick Guide](#) 
- [Subcontractor Payment Entry Quick Guide](#) 
- [Frequently Asked Questions](#) 

Pay Audit System User Manuals

- [Administrator User Guide](#) 
- [Prime Vendor User Guide](#) 
- [Subcontractor User Guide](#) 

Problems or questions concerning the Pay Audit system can be e-mailed to mwbecompliance@idoa.in.gov or by phone at (317) 232-3061

System Access

- Sign in to the State of Indiana's Self-Service Portal

ORACLE®
PEOPLESOFT ENTERPRISE

<p>User ID: <input type="text"/></p> <p>Password: <input type="password"/></p> <p>Sign In</p>	<p>State of Indiana PeopleSoft Related Links</p> <p>Information and Helpful Hints</p> <p>Report an Issue</p>
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System Demo

How You Can Help

- 1) Ensure Entry Of MWBE Commitment Data In Purchase Orders And EDS Is Exact Match (We Have Seen Missing MWBE Subs, Incorrect Commitment %'S, And Wrong Selection Of MBE Vs. WBE Designation)

PO Data Entry Screenshots

PO Form **Tier 2 Details** Tier 2 History

Maintain Purchase Order

Purchase Order

Unit: 00502 PO Status: Dispatched
PO ID: 0012518696 Budget Status: Valid
Copy From: ☐ Hold From Further Processing

Header

*PO Date: 08/30/2011 Vendor Search Doc Tol Status: Valid
Vendor: UNITEDWAYO-003 [Vendor Details](#) Backorder Status: None [Create BackOrder](#)
*Vendor ID: 0000070900 UNITED WAY OF CENTRAL INDIANA Receipt Status: Not Recvd
*Buyer: C249803 Harris,Candace-502 *Dispatch Method: Print
PO Reference: Online Src From Req 0000018928

Amount Summary

Merchandise: 2400000.000
Freight/Tax/Misc.: 0.00

[Header Details](#) [PO Activities](#) [Add ShipTo Comments](#) [Leased Assets](#)

PO Form **Tier 2 Details** Tier 2 History

Unit: 00502 Vendor: UNITEDWAYO-003
PO ID: 0012518696 PO Date: 08/30/2011
PO Status: Dispatched

[Customize](#) [Find](#) [View All](#) [First](#) [2 of 2](#) [Last](#)

T2 Type	Bidder ID	Name	Percentage
1 Minority	0000011856	ENTAP, Inc.	4.500
2 Woman	0000002628	Briljent, LLC	0.417

The EDS Number Field Must Be Filled Out If An EDS Number Is Associated With The PO.

The “Copy Contract Tier 2 Info” Button Will Only Pull Participation If The Contract Is Set Up As A QPA. In All Other Cases, You Will Have To Manually Fill Out The MWBE Participation.

How You Can Help

EDS Data Entry Screenshots

EDS ENTRY

EDS Number A93-2-12-ED-T0-0430 Entered on 07/06/2011 [31] Renew Copy

Contract number 57637 Sequence Number 0 Amend

Action type New

M/WBE Sub-Vendors (Box 29-32)

M/WBE Distribution Detail Customize | Find | View All | First 1-2 of 2 Last

Help	Type	Bidder ID	Vendor Name	Industry Type	Percent	Anticipated Date of Utilization
1 ?	Minority	0000011856	ENTAP, Inc.	Prof Svc	4.500	07/01/2011 [31] + -
2 ?	Woman	0000002628	Briljant, LLC	Prof Svc	0.417	07/01/2011 [31] + -

If Commitments Exist, Enter Them Accurately Into EDS.

EXECUTIVE DOCUMENT SUMMARY
State Form 41221 (R10/4-06)

Instructions for completing the EDS and the Contract process.

- Please read the guidelines on the back of this form.
- Please type all information.
- Check all boxes that apply.
- For amendments / renewals, attach original contract.
- Attach additional pages if necessary.

AGENCY INFORMATION	
14. Name of agency: Department of Child Services	15. Acquisition Number: 0000018928
16. Address: DCS Financial Services 402 W WASHINGTON ST RM W392 INDIANAPOLIS, IN 46204	
AGENCY CONTACT INFORMATION	
17. Name: CANDACE HARRIS	18. Telephone #: 317/234-6890
19. E-mail address: CANDACE.HARRIS@DCS.IN.GOV	
COURIER INFORMATION	
20. Name: CANDACE HARRIS	21. Telephone #: 317-234-6890
22. E-mail address: CANDACE.HARRIS@DCS.IN.GOV	
VENDOR INFORMATION	
23. Vendor ID # 0000070900	
24. Name: UNITED WAY OF CENTRAL INDIANA	25. Telephone #: 317-921-1258
26. Address: 3901 N MERIDIAN ST PO BOX 860254 INDIANAPOLIS, IN 46208	
27. E-mail address: SAM.CRISSE@UWCL.ORG	
28. Is the vendor registered with the Secretary of State? (Out of State Corporations must be registered) X Yes No	
29. Primary Vendor M/WBE Minority: Yes X No Women: Yes X No	30. If yes, list the %: Minority: % Women: %
31. Sub Vendor M/WBE Minority: X Yes No Women: X Yes No	32. If yes, list the %: Minority: 4.5 % Women: 0.4 %
TIME PERIOD COVERED IN THIS EDS	
11. From (month, day, year): 7/1/2011	12. To (month, day, year): 6/30/2013
13. Method of source selection: Negotiated	

The Data Will Be Summarized On The EDS Cover Sheet.

- Accurate data entry on contracts (sec. 29), EDS, and purchase orders is essential.
- Who sees the information?
 - The Governor, Agency Heads, and the MWBE Commission through regular reports
 - The public and media through various vehicles (e.g., website, public requests, interviews, campaigns.)

How You Can Help

Stress To Prime Contractors And Their MWBE Subcontractors

- ✓ **Importance Of Accurately Reporting Data In A Timely Manner**
- ✓ **Watch For Emails**

From: **Compliance@idoa.In.Gov**

Subject Line: **State Of Indiana IDOA: Monthly Reminder-enter MWBE Payments**

Include In Award Letters To Prime Contractors:

Within 30 Days Of Execution Of Your Contract With The State

- ✓ **Contact Arthur Sample To Get Pay Audit Training**
- ✓ **Submit Contracts With MWBE Subcontractors To MWBE Compliance**

How You Can Help

3) Inform Us Right Away Of New Contracts That Meet The Following Criteria.

- a. Administrative Cost Contracts (E.G., Health Insurance, Dental Insurance)
- b. Revenue Generating Contracts
- c. Name Change/Acquisitions

4) Let Us Know If A Business Unit Is Created Or Removed (We Need To Update Our System)

MWBE Indiana Code and Contract Deliverables

IC 4-13-16.5-8 states:

Before beginning work on a contract, the contractor awarded the State contract must do the following:

- ❑ Notify in writing each minority business and women's business enterprise designated in the contractor's offer that the contractor has been awarded the contract.
- ❑ Provide copies of the notification to the state agency that awarded the contract.

If a contractor fails to comply the awarding state agency may consider the failure a breach of contract and do any of the following:

- (1) Cancel the contract.
- (2) Collect from the contractor all funds paid to the contractor under the contract.
- (3) Exercise any of the state's rights set out in the contract.
- (4) Use the failure as a basis for finding the contractor not responsible when awarding other contracts.

MWBE Indiana Code and Contract Deliverables

State of Indiana contracts also include language that requires:

- ❑ Contractor agrees to comply fully with the provisions of 25 IAC 5 (MWBE program) and the Subcontractor Commitment submitted to the State.
- ❑ No changes may be made to the commitment without the written approval of the Minority and Women's Enterprises Division of IDOA.
- ❑ Contractor's Subcontractor Commitment will become the MWBE Participation Plan upon execution of the Contract.
- ❑ Contractor must obtain approval from the MWBE Division before changing the MWBE Participation Plan submitted in connection with the Contract. If the changes to the MWBE participation plan are approved by the MWBE Division, the current participation plan will supersede the subcontractors listed in the contract.
- ❑ Contractor agrees to submit a copy of the agreement entered into between the Contractor and each MWBE subcontractor.
- ❑ A copy of each subcontractor agreement must be submitted to the MWBE Division in IDOA within thirty (30) days of the execution of the contract between the Contractor and the State.

MWBE Indiana Code and Contract Deliverables

In the event of a violation of this provision or of 25 IAC 5 (MWBE program):

- Department shall notify the contractor of the violations and will seek a course of action to correct them.
- Action may include the recommendation for the imposition of sanctions for material breach of contract pursuant to 25 IAC 5-7-8 and the department may elect to immediately employ one (1) or more of the sanctions found in 25 IAC 5-7-8(b).
- If the Contractor is not excluded from future procurements, the actions or inactions of the Contractor with regard to the above will be taken into account in all phases and scoring in future procurements.

Thank You!

- Questions?
- How can we help you?
 - MWBE Website: www.in.gov/idoa/mwbe
 - MWBE Phone: 317.232.3061
 - Arthur Sample IV: 317-232-8346